EXHIBIT 2

Monthly operating reports

MOR-1

TELEPHONE FAX CITY, STATE, ZIP: HIRM NAME ATTORNEY NAME:

600 Travis, Ste 2800

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND ANY ACCOMPANYING

COMPLETE. HOWEVER THESE ARE INTERNALLY PREPARED FINANCIAL STATEMENTS, THEY HAVE NOT BEEN ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND

THIS MONTHLY REPORT HAS NOT BEEN PREPARED IN ACCORDANCE TO GAAP. DECLARATION OF THE PREPARER AUDITED BY AN EXTERNAL ACCOUNTING FIRM. ADDITIONALLY THE FINANCIAL INFORMATION PRESENTED IN (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE

Elizabeth M. Guffy Locke Lord LLP

Houston, Texas 77002 713-226-1328

CASE NUMBER: Rotary Drilling Tools USA, LLC CASE NUMBER: 16-33433 UNITED STATES BANKRUPTCY COURT

PROPOSED PLAN DATE:

FILED

MOR-1

DIVISION: PETITION DATE: DISTRICT OF TEXAS: Houston 7/6/2016 0:00

MONTHLY OPERATING REPORT SUMMARY	REPORTS	SUMMARY	FOR MONTH	August	ıst	2016
MONTH HINOM		August	September			
REVENUES (MOR-6) 2:	230,017.12	16,637.16	0.00	0.00	0.00	0.00
C. TAX (MOR-6)	-719,806.81	-1,096,242.45	0.00	0.00	0.00	0,00
NET INCOME (LOSS) (MOR-6) -1,28	1,266,787.69	1,502,976.89	0.00	0.00	0.00	0,00
PAYMENTS TO INSIDERS (MOR-9)	8,643.66	8,643.66	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS (MOR-8)	374,067.97	557,876,39	0.00	0.00	0.00	0.00

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REQUIRED INSURANCE MAINTAINED		Are all accounts receivable being collected within terms?	Yes No (X)
AS OF SIGNATURE DATE	EXP.	Are all post-petition liabilities, including taxes, being paid within terms? Yes (X) No	Yes (X) No
	DATE	Have any pre-petition liabilities been paid?	Yes (X) No
CASUALTY YES(X) NO()	11-30 -16	If so, describe PTO and Payroll as approved by the court	ourt
LIABILITY YES(X) NO()	11-30 -16	Are all funds received being deposited into DIP bank accounts?	Yes (X) No
VEHICLE YES (X) NO ()	11-30 -16	Ś	Yes No(X)
WORKER'S YES (X) NO ()	11-30 -16	If so, describe	
OTHER YES (X) NO ()	11-30 -16	Are all U.S. Trustee Quarterly Fee Payments current?	Yes (X) No
		What is the status of your Plan of Reorganization?	Pending

(ORIGINAL SIGNATURE) _TITLE: _

Bryan M. Gaston

DATE

9/27/16

(PRINT NAME OF SIGNATORY)

CASE NUMBER: 16-33433

COMPARATIVE BALANCE SHEETS

					statement of Affairs	* Per Schedules and Statement of Affairs	
\$0.00	\$0.00	\$0.00	\$0.00	\$70,938,286	\$71,477,671	\$71,955,038	TOTAL ASSETS
				9,796,534	9,729,521	9,677,524	Related Party Rec
				929,483	944,691	990,711	3. Other Intangible Deposits
	- Annual Control of the Control of t			12,928,430	12,928,430	12,928,430	2. Investments in Subsidiaries
the CA Company of the Case of							1. Tax Deposits
	estimate the second sec				Services Granting	10 00 00 00 00 00 00 00 00 00 00 00 00 0	OTHER ASSETS
0.00	0.00	0.00	0.00	37,139,671	37,496,567	37,837,951	NET BOOK VALUE OF PP & E
				22,840,404	22,481,837	22,138,783	Less Accumulated Depreciation
				59,980,075	59,978,404	59,976,734	PROPERTY, PLANT & EQUIP. @ COST
0.00	0.00	0.00	0.00	10,071,657	10,302,134	10,440,278	TOTAL CURRENT ASSETS
				0	0	175,591	Other AR Accrued & other
				0	0	0	Investments
				635,512	758,915	911,149	Prepaid Expenses
				8,497,881	8,588,656	8,555,788	Inventory: Lower of Cost or Market
			,	547,388	544,021	642,392	Accounts Receivable, Net
				\$390,875.39	\$410,541.78	\$155,358.00	Cash
		The second secon					CURRENT ASSETS
			September	August	July	7/6/2016 0:00	
MONTH	HTNOM	MONTH	HTNOM	HTNOM	MONTH	FILING DATE*	ASSETS

MOR-2

CASE NAME: Rotary Drilling Tools USA, LLC CASE NUMBER: 16-33433

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S	FILING DATE*	HONTH	MONTH	MONTH	HTNOM	MONTH	S ON THE
EQUITY	0	July		ber			
LIABILITIES						(48) (4.46)	
POST-PETITION LIABILITIES(MOR-4)	0	834,254	1,797,846		The second section of the second section secti		
PRE-PETITION LIABILITIES							
Notes Payable - Secured	36,558,305	36,558,305	36,558,305				
Priority Debt	593,979	593,979	593,979				
Federal Income Tax	243,845	243,845	243,845				
FICA/Withholding	0	0	0				
* Unsecured Debt	5,638,632	5,593,799	5,593,799		- Additional Control of the Control		
Other	3,206,177	3,206,177	3,206,177				
TOTAL PRE-PETITION LIABILITIES	46,240,938	46,196,105	46,196,105	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	46,240,938	47,030,359	47,993,951	0.00	0.00	0.00	0.00
OWNER'S EQUITY (DEFICIT)							
PREFERRED STOCK	0	0	0				
COMMON STOCK	61,955,069	61,955,069	61,955,069				
ADDITIONAL PAID-IN CAPITAL	-594,935	-594,935	-594,935				
RETAINED EARNINGS: Filing Date	-35,646,035	-35,646,035	-35,646,035				
RETAINED EARNINGS: Post Filing Date	0	-1,266,788	-2,769,765	0.00			
TOTAL OWNER'S EQUITY (NET WORTH)	25,714,099	24,447,311	22,944,335	0.00	0.00	0.00	0.00
TOTAL							
LIABILITIES &							
OWNERS EQUITY	71,955,037	71,477,671	70,938,286	\$0.00	\$0.00	\$0.00	\$0.00
	* Per Schedules and Statement of Affairs	tatement of Affairs					

* Paid PTO and payroll court approved prepetition expense.

CASE NAME: CASE NUMBER:

Rotary Drilling Tools USA, LLC 16-33433

SCHEDULE OF POST-PETITION LIABILITIES

	HTNOM	HTNOM	HTNOM	HTNOM	HTNOM	HTNOM
	July	August	September			
TRADE ACCOUNTS PAYABLE						
TAX PAYABLE			and the second second second second	and the second of the second o		
Federal Payroll Taxes	0.00	0.00		A STATE OF		and the state of t
State Payroll Taxes	0.00	0.00				
Ad Valorem Taxes	0.00	0.00				
Other Taxes	0.00	30,632.18				
TOTAL TAXES PAYABLE	0.00	30,632.18	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION	499,679.00	945,164.00				
ACCRUED INTEREST PAYABLE	0.00	0.00				
ACCRUED PROFESSIONAL FEES*	211,139.02	447,139.02				
OTHER ACCRUED LIABILITIES					The same of the sa	A separate construction of the separate
1. Property Tax Accrual	50,000,00	50,000.00			The first desiration of the second se	and the second s
2. Utility Bill TXU	65,000.00	118,631.74				
3 Benefits PTO	151.19	178,333.05				
4 Tax Accrual	154.03	0.00				
5 CD Group	7,000.00	7,000.00				
6 Unsecured Misc Credit Amounts	1,130.78	3,511.55				
7 Leases	\$0.00	17,434.39				
8 Portion of LTD	0.00	0.00				
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$834,254.02	\$1,797,845.93	\$0.00	\$0.00	\$0.00	\$0.00
*Payment requires Court Approval						

Revised 07/01/98

MONTH

July

Aug

TOTAL

\$1,697,721.00

\$1,707,062.28

\$0.00

\$0.00

\$0.00

,628,965.90 52,844.72 25,251.66

1,626,799.00 14,477.00 56,445.00 0.00

MOR-5

91+ DAYS 61-90 DAYS 31-60 DAYS 0-30 DAYS CASE NUMBER: 16-33433

AGING OF POST-PETITION LIABILITIES MONTH August

HTNOM

\$1,187,256.95	0.00	0.00	334,575.02	852,681.93		TOTAL
\$1,187,256.95	0.00	0.00	334,575.02	852,681.93	ACCOUNTS	TRADE
\$0.00					TAXES	FEDERAL
\$0.00					TAXES	STATE
\$0.00					OTHER TAXES	AD VALOREM,
\$0.00						

31-60

0-30

DAYS

TOTAL 91+ 61-90

AGING OF ACCOUNTS RECEIVABLE

Revised 07/01/98

Accounts Receivable is Gross before any adjsutments for doubtful accounts

CASE NUMBER: 16-33433

STATEMENT OF INCOME (LOSS)

	MONTH	MONTH	HTNOM	HTNOM	MONTH	HTNOM	FILING TO
	July	August	September				DATE
REVENUES (MOR-1)	230,017.12	16,637.16					246.654.28
TOTAL COST OF REVENUES	662,700.91	821,388.04					1 484 088 95
GROSS PROFIT	-432,683.79	-804,750.88	0.00	0.00	0.00	0.00	:
OPERATING EXPENSES:							
Selling & Marketing	0.00	0.00					
General & Administrative	67,340.34	46,847.91					114 188 25
Insiders Compensation	8,643.66	8,643.66					17 287 32
Professional Fees	211,139.02	236,000.00					447 139 02
Other	0.00	0.00					
Other	0.00	0.00					
TOTAL OPERATING EXPENSES	287,123.02	291,491.57	0.00	0.00	0.00	0.00	578.614.59
NCOME BEFORE INT. DEPR/TAX (MOR-I)	-719,806.81	-1,096,242.45	0.00	0.00	0.00	0.00	
NTEREST EXPENSE	117,295.72	0.00					117,295.72
DEPRECIATION	420,908.16	389,180.94					810
OTHER (INCOME) EXPENSE*	8,777.00	17,553.50					26,330.50
OTHER ITEMS**	0.00	0.00					
TOTAL INT. DEPR & OTHER ITEMS	546,980.88	406,734.44	0.00	0.00	0.00	0.00	953,715.32
NET INCOME BEFORE TAXES	-1,266,787.69	-1,502,976.89	0.00	0.00	0.00	0.00	-2
FEDERAL INCOME TAXES	0.00	0.00					
	(00 700 002 19) (01 00 000 000 000	*** *** *** ***	,		00 03	00.03	

Footnote Mandatory. No further detail provided

MOR-6

* * (Inusual and/or infrequent item(s) ontside the ordinary course of business requires footnote.

CASE NAME: Rotary Drilling Tools USA, LLC CASE NUMBER: 16-33433

					tors only	Applies to Individual debtors only	* Ap
\$390,875.39	\$390,875.39	\$390,875.39	\$390,875.39	\$390,875.39	\$390,875.39	\$410,541.78	23. CASH - END OF MONTH (MOR-2)
323,088.64	0.00	0.00	0.00	0.00	-19,666.39	342,755.03	22. NET CASH FLOW
931,944.36	0.00	0.00	0.00	0.00	557,876.39	374,067.97	TOTAL DISBURSEMENTS**
0.00					0.00	0.00	21. OTHER REORGANIZATION EXPENSES (attach list)
0.00					0.00	0.00	20. U.S. TRUSTEE FEES
0.00					0.00	0.00	19. PROFESSIONAL FEES
931,944.36	0.00	0.00	0.00	0.00	557,876.39	374,067.97	TOTAL DISBURSEMENTS FROM OPERATIONS
24,576.03					21,944.85	2,631.18	18. OTHER (attach list)
0.00					0.00	0.00	17. ADMINISTRATIVE & SELLING
3,014.19					0.00	3,014.19	16. REPAIRS, MAINTENANCE & SUPPLIES
0.00					0.00	0.00	15. TRAVEL & ENTERTAINMENT
0.00					0.00	0.00	14. VEHICLE EXPENSES
0.00					0.00	0.00	13. INVENTORY PURCHASES
258,570.56					146,623.06	111,947.50	12. INSURANCE & Benefits
89,100.49					87,600.49	1,500.00	11. UTILITIES & TELEPHONE
42,701.53					39,467.96	3,233.57	10. SECURED/RENTAL/LEASES
156.00					156.00	0.00	9. SALES, USE & OTHER TAXES PAID
56,039.56					15,846.03	40,193.53	8. PAYROLL TAXES PAID
457,786.00					246,238.00	211,548.00	7. NET PAYROLL
							DISBURSEMENTS:
0.00					0.00	0.00	(Withdrawal) Contribution by Individual Debtor MFR-2*
1,255,033.00	0.00	0.00	0.00	0.00	538,210.00	716,823.00	TOTAL RECEIPTS**
0.00					0.00	0.00	6. OTHER (attach list)
0.00					0.00	0.00	5. SALE OF ASSETS
945,164.00					445,485.00	499,679.00	4. LOANS & ADVANCES (attach list)
83,343.00					82,503.00	840.00	3. COLLECTION OF ACCOUNTS RECEIVABLE
226,526,00					10,222.00	216,304.00	2. CASH SALES
							RECEIPTS:
\$67.786.75	\$390.875.39	\$390,875.39	\$390,875.39	\$390,875.39	\$410,541.78	\$67,786.75	1. CASH-BEGINNING OF MONTH
DATE				nber	t		DISBURSEMENTS
FILING TO	HTNOM	MONTH	HTNOM	HTNOM	MONTH	MONTH	CASH RECEIPTS AND

Revised 07/01/98

MOR-7

**Numbers for the current month should balance (match)
RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

Note: The numbers presented for July are for the entire month, they have been adjusted for professional fees paid from July 1- July 6

CASE NAME: Rotary Drilling Tools USA, LLC
CASE NUMBER: 16-33433

CASH ACCOUNT REC

CASH ACCOUNT RECONCILIATION MONTH OF August

7					
BANK NAME	PNC				
ACCOUNT NUMBER	8026323517 #		#		
ACCOUNT TYPE		PAYROLI	TAV	OTHER FILLING	
BANK BALANCE			202	OTHER FUNDS	TOTAL
DEPOSITS IN TO ANISIT					\$0.00
OFT COLLO IN INVINIT					7.03
OUTSTANDING CHECKS					3.00
ADILICATED DANK DALL ANGE					\$0.0
ACCOUNT DAINA DALANCE	\$0.00	\$0.00	\$0.00	\$0.00	J 0.3
BEGINNING CASH - PER BOOKS	410.541.78				9440144
RECHIDIO*	12001000				\$410,341.
CCE 10	238,210.00				\$538.210.00
RANSFERS BETWEEN ACCOUNTS	0.00				90.0
(WITHDRAWAL) OR CONTRIBUTION BY					30.00
INDIVIDUAL DEBTOR MFR-2					9
CHECKS/OTHER DISBURSEMENTS*	95 978 755				\$0.00
NIDRIC CASH PED DOORS	227,670.39				\$557,876.3
ENDING CASH - FER BOOKS	\$390,875.39	\$0.00	\$0.00	\$0.00	\$390,875.39

*Numbers should balance (match) TOTAL RECEIPTS and TOTAL DISBURSEMENTS lines on MOR-7

CASE NAME: CASE NUMBER:

Rotary Drilling Tools USA, LLC 16-33433

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)(F) of the U.S. Bankruptcy Code) and the professionals.

Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

	1			MONTH	MONTH	MONTH
INSIDERS: NAME/COMP TYPE	July	August	September			
Darren Mourre VP Marketing Salary	8,643.66	8,643.66				
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$8,643.66	\$8,643.66	\$0.00	\$0.00	\$0.00	\$0.00
		MONTH	MONTH	MONTH	MONTH	MONTH
PROFESSIONALS	July					
1. Opportune	0.00	0.00				
2. Lockelord	0.00	0.00				
3.	0.00					
4.	0.00					
5.	0.00	0.00				
	0.00					
TOTAL PROFESSIONALS (MOR-I)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Revised 07/01/98

ATTORNEY NAME:

600 Travis, Ste 2800 Elizabeth M. Guffy

ocke Lord LLP

Houston, Texas 77002

MOR-1

CITY, STATE, ZIP: ADDRESS FIRM NAME:

THIEFHONETAX

UNITED STATES BANKRUPTCY COURT

PETITION DATE:

7/6/2015 0:00

MOR-1

CASE NAME:

Tubular Repair, LLC

MONTHLY OPERATING REPORT SUMMARY FOR MONTH	RATING REPO	RT SUMMARY	FOR MONTH		August	
HINOW	July	August				
REVENUES (MOR-6)	13,615.00	8,113.25	0.00	0.00	0.00	
INCOME BEFORE INT: DEPRECATAX (MOR-6)	-154,806.00	-239,031.88	0.00	0.00	0.00	
NET INCOME (LOSS) (MOR-6)	100 908 506-	-287 485 98	0.00	000	0 00	

MONTHLY OPERATING REPORT SUMMARY	ATING REPOR	TSUMMARY	FOR MONTH	Augus	<i>just</i>	2016
MONTH	July	August				
SS (MOR-6)	13,615.00	8,113.25	0.00	0.00	0.00	0,00
BEFORE INT: DEPREC_TAX (MOR-6)	-154,806.00	-239,031.88	0.00	0.00	0.00	0.00
DME (LOSS) (MOR-6)	-203,326.00	-287,465.96	0.00	0.00	0.00	0.00
'S TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00
IS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0,00	0.00	0.00
ISBURSEMENTS (MOR-8)	69.320.27	88,074.68	0.00	0.00	0,00	0.00

VET INCO SHOWAA

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED		Are all accounts receivable being collected within terms?	Yes No (X)
AS OF SIGNATURE DATE	EXP.	Are all post-petition liabilities, including taxes, being paid within terms? Yes (X) No	Yes (X) No
The first control of the control of	DATE	Have any pre-petition liabilities been paid?	Yes (X) No
CASUALTY YES (X) NO()	11-30 -16	If so, describe PTO and Payroll as approved by the court	urt
LIABILITY YES (X) NO ()	11-30 -16	Are all funds received being deposited into DIP bank accounts?	Yes (X) No
VEHICLE YES (X) NO()	11-30 -16	Were any assets disposed of outside the normal course of business? Yes No (X)	Yes No (X)
WORKER'S YES(X)NO()	11-30 -16	If so, describe	
OTHER YES (X) NO ()	11-30 -16	Are all U.S. Trustee Quarterly Fee Payments current?	Yes (X) No
	***************************************	What is the status of your Plan of Reorganization?	Pending

AUDITED BY AN EXTERNAL ACCOUNTING FIRM. ADDITIONALLY THE FINANCIAL INFORMATION PRESENTED IN COMPLETE. HOWEVER THESE ARE INTERNALLY PREPARED FINANCIAL STATEMENTS, THEY HAVE NOT BEEN ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND ANY ACCOMPANYING (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE. THIS MONTHLY REPORT HAS NOT BEEN PREPARED IN ACCORDANCE TO GAAP. DECLARATION OF THE PREPARER

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY

SIGNED X DUP (PRINT NAME OF SIGNATORY) Bryan M. Gaston (ORIGINAL SIGNATURE) 3 Deste _TITLE: DATE CRO

CASE NAME: Tubular Repair, LLC
CASE NUMBER: 16-33434

COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	7/6/2016 0:00	July	August				
CURRENT ASSETS							
Cash	-12,038.00	-9,750.00	-52,203.40	•			
Accounts Receivable, Net	223,672.00	199,097.00	50,969.00				
Inventory: Lower of Cost or Market	1,047,511.00	1,047,511.00	1,047,511.30				
Prepaid Expenses	-65,184.00	-93,913.00	-93,382.47				
Investments							
Other AR Accrued Other	6,927.00	6,927.00	6,927.00				
TOTAL CURRENT ASSETS	1,200,888.00	1,149,872.00	959,821.43	0.00	0.00	0.00	0.00
PROPERTY, PLANT & EQUIP. @ COST	10,158,103.00	10,158,103.00	10,158,102.93				
Less Accumulated Depreciation	3,524,839.00	3,572,979.00	3,620,950.93				
NET BOOK VALUE OF PP & E	6,633,264.00	6,585,124.00	6,537,152.00	0.00	0.00	0.00	0.00
OTHER ASSETS			a marijam riburum ka pada dalah dalah kada dalah kada dalah dalah dalah dalah dalah dalah dalah dalah dalah da		A CONTRACTOR OF THE CONTRACTOR		
1. Tax Deposits							
2. Investments in Subsidiaries							
3. Electric Deposit							
4. related party receivables	84,986.00	84,986.00	84,986.00				
TOTAL ASSETS	\$7,919,138.00	\$7,819,982.00	\$7,581,959.43	\$0.00	\$0.00	\$0.00	\$0.00
	* Per Schedules and Statement of Affairs	tatement of Affairs					

MOR-2

CASE NUMBER: 16-33434

COMPARATIVE BALANCE SHEETS

					Statement of Affairs	* Per Schedules and Statement of Affairs	The second secon
\$0.00	\$0.00	\$0.00	\$0.00	\$7,581,959.43	\$7,819,982.00	\$7,919,139.00	TOTAL JABILITIES & DWNERS EQUITY
0.00	0.00	0.00		5,022,974.04	5,310,440.00	5,513,766.00	OTAL OWNER'S EQUITY (NET WORTH)
				490,791.96	-203,326.00		RETAINED EARNINGS: Post Filing Date
				-6,932,861.00	-6,932,861.00	-6,932,861.00	RETAINED EARNINGS: Filing Date
				6,347,192.00	6,347,192.00	6,347,192.00	ADDITIONAL PAID-IN CAPITAL
				6,099,435.00	6,099,435.00	6,099,435.00	COMMON STOCK members equity
							PREFERRED STOCK
							OWNER'S EQUITY (DEFICIT)
0.00	0.00	0.00	0.00	2,558,985.39	2,509,542.00	2,405,373.00	TOTAL LIABILITIES
0.00	0.00	0.00	0.00	2,405,373.00	2,405,373.00	2,405,373.00	OTAL PRE-PETITION LIABILITIES
						1,969,595.00	Other
							Unsecured Debt
						1,149.00	FICA/Withholding
						4,533.00	sales and USE
						58,887.00	Priority Debt
						63,750.00	Notes Payable - Secured
							RE-PETITION LIABILITIES
				153,612.39	104,169.00		OST-PETITION LIABILITIES(MOR-4)
							JABILITIES
				August	July	7/6/2016 0:00	EQUITY
MONTH	MONTH	MONTH	MONTH	HTNOM	MONTH	FILING DATE*	LIABILITIES & OWNER'S
							The state of the s

CASE NAME: CASE NUMBER:

Tubular Repair, LLC 16-33434

SCHEDULE OF POST-PETITION LIABILITIES

i	HTNOM	HTNOM	HTNOM	HTNOM	HTNOM	MONTH
	July	August				
TRADE ACCOUNTS PAYABLE						
TAX PAYABLE	gen en grante de la companya de la c	Access to the second of the se	The state of the s			
Federal Payroll Taxes				e de destruite de la company de destruite de la company	The second of th	
State Payroll Taxes						
Ad Valorem Taxes						
Other Taxes	5,816.00	4,528.72				177
TOTAL TAXES PAYABLE	5,816.00	4,528.72	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION						
ACCRUED INTEREST PAYABLE				111111111111111111111111111111111111111		
ACCRUED PROFESSIONAL FEES*	65,465.00	132,714.31				
OTHER ACCRUED LIABILITIES				Action for the second s		The state of the s
Accrual Rent Expense	18,700.00	15,000.00			managan	The second secon
2. AP Accrual for Utilities	1,222.67	-1,222.67				
3 Accrued Taxes & Medical	10,376.38	-1,936.35				
4 Vacation	2,588.95	4,528.38				
5 Current portion of LTD		23,230.32				
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$104,169.00	\$153,612.39	\$0.00	\$0.00	\$0.00	\$0.00
*Payment requires Court Approval						

MONTH

July

August

TOTAL

\$437,695.03 364,320.48 20,313.00 46,259.20 6,802.35

\$379,933.86 328,634.86 3,610.00 47,689.00

\$0.00

\$0.00

\$0.00

\$0.00

91+DAYS 61-90 DAYS 31-60 DAYS 0-30 DAYS

AGING OF POST-PETITION LIABILITIES

August

CASE NUMBER: 16-33434

DAYS

TOTAL

TRADE ACCOUNTS

FEDERAL TAXES STATE TAXES

AD VALOREM, OTHER TAXES

HTNOM

91+ 61-90 31-60 0-30

TOTAL

\$0.00 0.00 0.00 0.00

\$0.00

AGING OF ACCOUNTS RECEIVABLE

\$0.00

\$0.00

\$0.00

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The Accounts receivable are Gross before any adjustments for doubtful accounts

CASE NUMBER: 16-33434

Tubular Repair, LLC

STATEMENT OF INCOME (LOSS)

	July	August	MONIH	MONIH	MONIH	MONTH	DATE
REVENUES (MOR-1)	13,615.00	8,113.25					21,728.25
TOTAL COST OF REVENUES	133,558.00	195,218.59					328,776.59
GROSS PROFIT	-119,943.00	-187,105.34	0.00	0.00	0.00	0.00	-307,048.34
OPERATING EXPENSES:							
Selling & Marketing							0.00
General & Administrative	17,814.00	20,112.73					37,926.73
Insiders Compensation							0.00
Professional Fees	1,566.00	2,531.90					4,097.90
Other	15,483.00	29,281.91					44,764.91
Other							0.00
TOTAL OPERATING EXPENSES	34,863.00	51,926.54	0.00	0.00	0.00	0.00	86,789.54
INCOME BEFORE INT, DEPR/TAX (MOR-1)	-154,806.00	-239,031.88	0.00	0.00	0.00	0.00	-393,837.88
INTEREST EXPENSE	379.00	462.57					841.57
DEPRECIATION	48,141.00	47,971.51					96,112.51
OTHER (INCOME) EXPENSE*							0.00
OTHER ITEMS**							0.00
TOTAL INT. DEPR & OTHER ITEMS	48,520.00	48,434.08	0.00	0.00	0.00	0.00	96,954.08
NET INCOME BEFORE TAXES	-203,326.00	-287,465.96	0.00	0.00	0.00	0.00	-490,791.96
FEDERAL INCOME TAXES							0.00
NET INCOME (LOSS) (MOR-1)	(\$203,326.00)	(\$287,465.96)	\$0.00	\$0.00	\$0.00	\$0.00	(\$490,791.96)
Account Accounting Demired Otherwise Francis with Explanation	fixulanation						

Accrual Accounting Required, Otherwise Footnote with Explanation.

Prostnote Mandatory.
 Italian and or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

CASE NUMBER: Tubular Repair, LLC
CASE NUMBER: 16-33434

CASH RECEIPTS AND

12. INSURANCE E 13. INVENTORY PUI 14. VEHICLE EXPEN 15. TRAVEL & ENTE 16. REPAIRS. MAINT 17. ADMINSTRATI E 18. OTHER (atach list TOTAL DISBURSEN 20. U.S. TRUSTEE FE 21. OTHER REORGA 22. NET CASH FLOW	12. INSUR 13. INVEN 14. VEHIC 15. TRAVI 16. REPAI 17. ADMII 18. OTHEI 18. OTHEI 20. U.S. TI 21. OTHEI 21. OTHEI	12. INSUR 13. INVEN 14. VEHIC 15. TRAVI 16. REPAI 17. ADMII 18. OTHEI 18. OTHEI 20. U.S. TI 21. OTHEI	12. INSUR 13. INVEN 14. VEHIC 15. TRAVI 16. REPAI 17. ADMII 18. OTHEI 18. OTHEI 19. PROFF 20. U.S. TI	12. INSUR 13. INVEN 14. VEHIC 15. TRAVI 16. REPAI 17. ADMII 18. OTHEI 19. PROFE	12. INSUR 13. INVENIC 14. VEHIC 15. TRAVI 16. REPAI 17. ADMII 18. OTHEI	12. INSUR 13. INVEN 14. VEHIC 15. TRAVI 16. REPAI 17. ADMII 18. OTHE	12. INSUR 13. INVENIC 14. VEHIC 15. TRAV 16. REPAI 17. ADMII	12. INSUR 13. INVEN 14. VEHIC 15. TRAVI	12. INSUR 13. INVEN 14. VEHIC	12. INSUR 13. INVEN 14. VEHIC	12. INSUR	12. INSUR		וו. עדונו:	10. SECUI	9. SALES	8. PAYR	7. NET PAYROLL	DISBURSEMENTS:	(Withdrawa	TOTAL RECEIPTS**	6. OTHE	5. SALE	4. LOAN	3. COLL	2. CASH SALES	RECEIPTS	1. CASH-	DISBUE
	ASH FLOW	TOTAL DISBURSEMENTS**	21. OTHER REORGANIZATION EXPENSES (attach list)	20. U.S. TRUSTEE FEES	19. PROFESSIONAL FEES	TOTAL DISBURSEMENTS FROM OPERATIONS	18. OTHER (attach list) PNC Loan LEDGER	17. ADMINSTRATI Bank Fees	16. REPAIRS, MAINTENANCE & SUPPLIES	15. TRAVEL & ENTERTAINMENT	14. VEHICLE EXPENSES	13. INVENTORY PURCHASES	12. INSURANCE Benefits	1). UTILITIES & TELEPHONE	10. SECURED/RENTAL/LEASES	9. SALES, USE & OTHER TAXES PAID	8. PAYROLL TAXES PAID	AYROLL	EMENTS:	(Withdrawal) Contribution by Individual Debtor MFR-2*	CEPTS***	6. OTHER (attach list)	5. SALE OF ASSETS	4. LOANS & ADVANCES (attach list)	3. COLLECTION OF ACCOUNTS RECEIVABLE	SALES	S:	1. CASH-BEGINNING OF MONTH	DISBURSEMENTS
(\$9,750.30)	0.00	69,320.27				69,320.27		2,287.70	0.00	0.00	0.00	0.00	3,910.37	227.83	6,852.02	0.00	12,238.14	43,804.21			101,770.05	0.00	0.00	64,745.57	37,024.48	0.00		(\$12,038.00)	July
(\$9,750.30) (\$52,203.41)	-42,453.11	88,074.68				88,074.68	793.15	3,024.92			3,007.50		15,698.36	3,266.40	28,106.24	291.00		33,887.11			45,621.57			45,621.57	0.00			(\$9,750.30)	MONTH August
(\$52,203.41)	0.00	0.00				0.00															0.00							(\$52,203.41)	MONTH
(\$52,203.41)	0.00	0.00				0.00															0.00							(\$52,203.41)	MONTH
(\$52,203.41)	0.00	0.00				0.00															0.00							(\$52,203.41)	MONTH
(\$52,203.41)		0.00				0.00															0.00							(\$52,203.41)	HTNOM
(\$22,041.33)	-10,003.33	157,394.95	0.00	0.00	0.00	157,394.95	793.15	5,312.62	0.00	0.00	3,007.50	0.00	19,608.73	3,494.23	34,958.26	291.00	12.238.14	77,691.32		0.00	147,391.62	0.00	0.00	110,367.14	37,024.48	0.00		(\$12,038.00)	FILING TO

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Debtor's AR collections are recevied into a lockbox and applied directly to the loan ledger by its lender

**Numbers for the current month should balance (match)
RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

CASE NUMBER: 16-33434

CASH ACCOUNT RECONCILIATION MONTH OF August

(\$52,203.40	\$0.00	\$0.00	\$0.00	(\$52,203.40)	ENDING CASH - PER BOOKS
\$88,074.68				88,074.68	CHECKS/OTHER DISBURSEMENTS*
(\$71,091.57				-71,091.57	INDIVIDUAL DEBTOR MFR-2
\$45,621.58				45,621.58	TRANSFERS BETWEEN ACCOUNTS
\$71,091.57				71,091.57	RECEIPTS*
(\$9,750.3)				-9,750.30	BEGINNING CASH - PER BOOKS
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	ADJUSTED BANK BALANCE
\$0.00				0.00	OUTSTANDING CHECKS
\$0.00			***************************************	0.00	DEPOSITS IN TRANSIT
\$0.00				0.00	BANK BALANCE
TOTAL	OTHER FUNDS	TAX	PAYROLL	OPERATING	ACCOUNT TYPE
		¥	# 7		ACCOUNT NUMBER 8026323509 #
					DOMAIN INCHAIN

71,091.57 Amount represents a bank sweep.

*Numbers should balance (match) TOTAL RECEIPTS and

TOTAL DISBURSEMENTS lines on MOR-7

CASE NAME: CASE NUMBER:

Tubular Repair, LLC 16-33434

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.

Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

33	U	000	un	nei	nt .	16	4-2 F	-ile	d	ın	IX	SI	3 (n	09	12	8/1	5	Pa
TOTAL PROFESSIONALS (MOR-1)	6.	5.	4.	3.	2.	1. none	PROFESSIONALS			TOTAL INSIDERS (MOR-I)	6.	5.	4.	3.	2.	1. none		INSIDERS: NAME/COMP TYPE	
\$0.00								MONTH		\$0.00									MONTH
\$0.00								MONTH		\$0.00							Ċ		HTNOM
\$0.00								HTNOM		\$0.00									HTNOM
\$0.00								HTNOM		\$0.00									HTNOM
\$0.00								HTNOM		\$0.00									MONTH
\$0.00								MONTH		\$0.00									MONTH

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713-226-1328 Houston, Texas 77002 ADDRESS: FIRM NAME: ATTORNEY NAME:

Locke Lord LLP 600 Travis, Ste 2800

Elizabeth M. Guffy

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PROPOSED PLAN DATE: FILED	CASE NUMBER: 16-33435	CASE NAME: Rotary Drilling Holdings IV, LLC	MOR-1
		rc rc	LIND
			UNITED STATES BANKRUPTCY COURT
DIVISION:	DISTRICT OF TEXAS: Southern	PETITION DATE:	
Houston	Southern	7/6/2016 0:	

DIVISION:	DISTRICT C	PETITION DATE
Į.	DISTRICT OF TEXAS: Southern	•
Houston	uthern	7/6/2016 0:00

MONTHLY OPERATING REPORT SUMMARY FOR MONTH	ATING REPOR	TSUMMARY	FOR MONTH	Au	August	2016
MONTH	July	August	September			
TENUES (MOR-6)	0.00	0.00	0.00	0.00	0.00	0.00
OME BEFORE INT: DEPRECATAX (MOR-6)	-4,488.00	-4,488.00	0.00	0.00	0.00	0.00
'INCOME (LOSS) (MOR-6)	-102,728.00	-102,728.00	0.00	0.00	0.00	0.00
'MENTS TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00
MENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00
"AL DISBURSEMENTS (MOR-8)	0.00	0.00	0.00	0.00	0.00	0.00

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	***************************************		CIRCLE ONE
REQUIRED INSURANCE MAINTAINED		Are all accounts receivable being collected within terms?	Yes No (X)
AS OF SIGNATURE DATE	EXP.	within terms?	Yes (X) No
	DATE	Have any pre-petition liabilities been paid?	Yes No (X)
CASUALTY YES(X) NO()	() 11-30-16	If so, describe	
LIABILITY YES(X) NO()	11-30 -16	Are all funds received being deposited into DIP bank accounts?	Yes (X) No
VEHICLE YES (X) NO ()) 11-30-16	Were any assets disposed of outside the normal course of business?	Yes No (X)
WORKER'S YES (X) NO ()) 11-30 -16	If so, describe	
OTHER YES (X) NO ()) 11-30 -16	Are all U.S. Trustee Quarterly Fee Payments current?	Yes (X) No
		What is the status of your Plan of Reorganization?	Pending

AUDITED BY AN EXTERNAL ACCOUNTING FIRM. ADDITIONALLY THE FINANCIAL INFORMATION PRESENTED IN THIS MONTHLY REPORT HAS NOT BEEN PREPARED IN ACCORDANCE TO GAAP. DECLARATION OF THE PREPARER

COMPLETE. HOWEVER THESE ARE INTERNALLY PREPARED FINANCIAL STATEMENTS, THEY HAVE NOT BEEN ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND ANY ACCOMPANYING

(OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

3

(PRINT NAME OF SIGNATORY) (ORIGINAL SIGNATURE)
Bryan M. Gaston

DATE

9/27/16

CASE NAME: Rotary Drilling Holdings IV, LLC CASE NUMBER: 16-33435

COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	HTNOM	MONTH
	7/6/2016 0:00	July	August	September			
CURRENT ASSETS			and the second section of the section of th				
Cash							
Accounts Receivable, Net							
Inventory: Lower of Cost or Market							
Prepaid Expenses	4,748.00	4,643.00	6,748.00				
Investments							
Other							
TOTAL CURRENT ASSETS	4,748.00	4,643.00	6,748.00	0.00	0.00	0.00	0.00
PROPERTY, PLANT & EQUIP. @ COST	7,847,236.00	7,847,237.00	7,847,236.43				
Less Accumulated Depreciation	1,129,440.00	1,158,789.00	1,188,137.68				
NET BOOK VALUE OF PP & E	6,717,796.00	6,688,448.00	6,659,098.75	0.00	0.00	0.00	0.00
OTHER ASSETS							The same of the sa
l. Tax Deposits							
2. Investments in Subsidiaries							
3. Electric Deposit							
Related Party Receivables	1,951,000.00	2,006,000.00	2,061,000.00				
TOTAL ASSETS	\$8,673,544.00	\$8,699,091.00	\$8,726,846.75	\$0.00	\$0.00	\$0.00	\$0.00
	* Per Schedules and Statement of Affairs	tatement of Affairs					

MOR-2

Revised 07:01:98

CASE NUMBER: Rotary Drilling Holdings IV, LLC CASE NUMBER: 16-33435

COMPARATIVE BALANCE SHEETS

					Statement of Affairs	* Der Schedules and Statement of Affairs	
\$0.00	\$0.00	\$0.00	\$0.00	\$8,726,846.75	\$8,699,091.00	\$8,673,544.00	OWNERS EQUITY
							LIABILITIES &
0.00	0.00	0.00	0.00	1,509,069.00	1,611,797.00	1,714,525.00	TOTAL OWNER'S EQUITY (NET WORTH)
			0.00	-205,456.00	-102,728.00		RETAINED EARNINGS: Post Filing Date
				133,775.00	133,775.00	133,775.00	RETAINED EARNINGS: Filing Date
				178,192.00	178,192.00	178,192.00	ADDITIONAL PAID-IN CAPITAL
				1,402,558.00	1,402,558.00	1,402,558.00	COMMON STOCK member equity
							PREFERRED STOCK
And the second s							OWNER'S EQUITY (DEFICIT)
0.00	0.00	0.00	0.00	7,217,777.75	7,087,294.00	6,959,019.00	TOTAL LIABILITIES
0.00	0.00	0.00	0.00	6,998,025.69	6,977,504.00	6,959,019.00	TOTAL PRE-PETITION LIABILITIES
				2,950.80	-1,537.00	-6,025.00	Other accrued & current liab
				6,995,074.89	6,979,041.00	6,965,044.00	Unsecured Debt intercompany
							FICA/Withholding
							Federal Income Tax
							Priority Debt
							Notes Payable - Secured
	Section 2 and Se						PRE-PETITION LIABILITIES
				219,752.06	109,790.00		POST-PETITION LIABILITIES(MOR-4)
							LIABILITIES
			September	August	July	7/6/2016 0:00	EQUITY
MONTH	HTNOM	HTNOM	HTNOM	MONTH	MONTH	FILING DATE*	LIABILITIES & OWNER'S

* Per Schedules and Statement of Affairs

MOR-3

CASE NAME: CASE NUMBER:

Rotary Drilling Holdings IV, LLC 16-33435

SCHEDULE OF POST-PETITION LIABILITIES

)			
	MONTH	MONTH	MONTH	HTNOM	HTNOM	MONTH
TRADE ACCOUNTS PAYABLE	July	Augüst	September			
TAX PAYABLE						the second terms of the second
Federal Payroll Taxes						
State Payroll Taxes		The state of the s				
Ad Valorem Taxes					-	
Other Taxes						
TOTAL TAXES PAYABLE	0.00	0.00	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION						
ACCRUED INTEREST PAYABLE						
ACCRUED PROFESSIONAL FEES*	109,790.00	219,752.06				
OTHER ACCRUED LIABILITIES						
2.						
3.		***************************************				
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$109,790.00	\$219,752.06	\$0.00	\$0.00	\$0.00	\$0.00
*Payment requires Court Approval						

* Adjusted for professional fees incurred but not accrued

MOR-4

Revised 07/01/98

AD VALORE OTHER TAX
AD VALORE OTHER TAX
ES \$0.00

CASE NAME: Rotary Drilling Holdings IV, LLC CASE NUMBER: 16-33435

CASE NAME: Rotary Drilling Holdings IV, LLC CASE NUMBER: 16-33435

STATEMENT OF INCOME (LOSS)

- National Control of the Control of	HTNOM	MONTH	MONTH	HTNOM	MONTH	MONTH	FILING TO
	July	August	September				DATE
REVENUES (MOR-1)							0.00
TOTAL COST OF REVENUES							0.00
GROSS PROFIT	0.00	0.00	0.00	0.00		0.00	0.00
OPERATING EXPENSES:							
Selling & Marketing							0.00
General & Administrative							0.00
Insiders Compensation							0.00
Professional Fees							0.00
Other							0.00
Other	4,488.00	4,488.00					8,976.00
TOTAL OPERATING EXPENSES	4,488.00	4,488.00	0.00	0.00	0.00	0.00	8,976.00
INCOME BEFORE INT. DEPR/TAX (MOR-1)	-4,488.00	-4,488.00	0.00	0.00	0.00	0.00	-8,976.00
INTEREST EXPENSE	13,997.00	13,997.00					27,994.00
DEPRECIATION	29,348.00	29,348.00					58,696.00
OTHER (INCOME) EXPENSE*	54,895.00	54,895.00					109,790.00
OTHER ITEMS**							0.00
TOTAL INT, DEPR & OTHER ITEMS	98,240.00	98,240.00	0.00	0.00	0.00	0.00	196,480.00
NET INCOME BEFORE TAXES	-102,728.00	-102,728.00	0.00	0.00	0.00	0.00	-205,456.00
FEDERAL INCOME TAXES							0.00
NET INCOME (LOSS) (MOR-1)	(\$102,728.00)	(\$102,728.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$205,456.00)

* Other Expenses is Rental Income from affiliated debtors PCI and RDT

Accrual Accounting Required, Otherwise Footnote with Explanation.

** Unusual and or infrequent item(s) outside the ordinary course of husiness requires footnote.

MOR-6 Footnote Mandatory.

CASE NUMBER: 16-33435 Politing Holdings IV, LLC

CASH RECEIPTS AND	HTNOM	HTNOM	MONTH	HTNOM	MONTH	MONTH	FILING TO
DISBURSEMENTS	July	ugust	tember				DATE
I. CASH-BEGINNING OF MONTH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RECEIPTS:		the second section of the second sections and the second sections as a	***************************************			and the second s	The state of the s
2. CASH SALES							0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE							0.00
4. LOANS & ADVANCES (attach list)							0.00
5. SALE OF ASSETS							0.00
6. OTHER (attach list)							0.00
TOTAL RECEIPTS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Withdrawal) Contribution by Individual Debtor MFR-2*							0.00
DISBURSEMENTS:						The second secon	
7. NET PAYROLL							0.00
8. PAYROLL TAXES PAID							0.00
9. SALES, USE & OTHER TAXES PAID							0.00
10. SECURED/RENTAL/LEASES							0.00
11. UTILITIES & TELEPHONE							0.00
12. INSURANCE							0.00
13. INVENTORY PURCHASES							0.00
14. VEHICLE EXPENSES							0.00
15. TRAVEL & ENTERTAINMENT							0.00
16. REPAIRS, MAINTENANCE & SUPPLIES							0.00
17. ADMINISTRATIVE & SELLING							0.00
18. OTHER (attach list)							0.00
TOTAL DISBURSEMENTS FROM OPERATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19. PROFESSIONAL FEES							0.00
20. U.S. TRUSTEE FEES							0.00
21. OTHER REORGANIZATION EXPENSES (attach list)							0.00
TOTAL DISBURSEMENTS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22. NET CASH FLOW	0.00	0.00	0.00	0.00	0.00	0.00	
23. CASH - END OF MONTH (MOR-2)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

^{*} Applies to Individual debtors only

^{**}Numbers for the current month should balance (match)
RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

INDIVIDUAL

DEBTOR MFR-2

TRANSFERS BETWEEN ACCOUNTS
(WITHDRAWAL) OR CONTRIBUTION BY

RECEIPTS*

BEGINNING CASH - PER BOOKS

ADJUSTED BANK BALANCE

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00 \$0.00 \$0.00 \$0.00

\$0.00 \$0.00

\$0.00

OUTSTANDING CHECKS DEPOSITS IN TRANSIT

ENDING CASH - PER BOOKS

CHECKS/OTHER DISBURSEMENTS*

MOR-8

CASE NAME: Rotary Drilling Holdings IV, LLC CASE NUMBER: 16-33435

CASH ACCOUNT RECONCILIATION MONTH OF August

BANK NAME

ACCOUNT NUMBER

OPERATING

#

#

PAYROLL

TAX

OTHER FUNDS

TOTAL

BANK BALANCE

TOTAL DISBURSEMENTS lines on MOR-7	*Numbers should balance (match) TOTAL RECEIPTS and	
------------------------------------	--	--

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00 \$0.00 \$0.00

CASE NAME:

CASE NUMBER:

Rotary Drilling Holdings IV, LLC 16-33435

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	July	August	September			
1.	0.00	0.00				7,117
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	MONTH	MONTH	MONTH	HTNOM	MONTH	MONTH
PROFESSIONALS	July	August	September			
1.	0.00	0.00	0.00			
2.						
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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TELEPHONE FAX: CITY, STATE, ZIP: ADDRESS

600 Travis, Ste 2800 Elizabeth M. Guffy

Locke Lord LLP

Houston, Texas 77002

713-226-1328

FIRM NAME: ATTORNEY NAME:

UNITED STATES BANKRUPTCY COURT

PROPOSED PLAN DATE: CASE NUMBER:

FILED

CASE NAME: MOR-1

Pipe Coatings International, LLC

DISTRICT OF TEXAS: Houston Southern

PETITION DATE:

7/6/2015 0:00

	MONTHLY OPERATING REPORT SUMMARY	ATING REPOR	RTSUMMARY	FOR MONTH	Aı	August	2016
	HLNOW	July	August				
J	REVENUES (MOR-6)	0.00	0.00	0.00	0,00	0.00	0.00
	INCOME BEFORE INT: DEPREC. TAX (MOR-6)	-152,883.00	-163,399.94	0.00	0.00	0.00	0.00
	NET INCOME (LOSS) (MOR-6)	-202,590.32	-213,107.64	0.00	0.00	0.00	0.00
	PAYMENTS TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00
	PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL DISBURSEMENTS (MOR-8)	27,077.20	57,082.32	0.00	0.00	0.00	0.00
Ξ							

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED		Are all accounts receivable being collected within terms?	Yes No (X)
AS OF SIGNATURE DATE	EXP.	Are all post-petition liabilities, including taxes, being paid within terms? Yes (X) No	Yes (X) No
	DATE	Have any pre-petition liabilities been paid?	Yes (X) No
CASUALTY YES (X) NO ()	11-30 -16	If so, describe PTO and Payroll as approved by the court	UIT
LIABILITY YES(X) NO()	11-30 -16	Are all funds received being deposited into DIP bank accounts?	Yes (X) No
VEHICLE YES (X) NO()	11-30 -16	Were any assets disposed of outside the normal course of business? Yes No (X)	Yes No(X)
WORKER'S YES (X) NO ()	11-30 -16	If so, describe	
OTHER YES (X) NO()	11-30 -16	Are all U.S. Trustee Quarterly Fee Payments current?	Yes (X) No
		What is the status of your Plan of Reorganization?	Pending

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND ANY ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND AUDITED BY AN EXTERNAL ACCOUNTING FIRM. ADDITIONALLY THE FINANCIAL INFORMATION PRESENTED IN THIS MONTHLY REPORT HAS NOT BEEN PREPARED IN ACCORDANCE TO GAAP. DECLARATION OF THE PREPARER COMPLETE. HOWEVER THESE ARE INTERNALLY PREPARED FINANCIAL STATEMENTS, THEY HAVE NOT BEEN (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

(PRINT NAME OF SIGNATORY) Brugan Boss Bryan M. Gaston (ORIGINAL SIGNATURE) TITLE: DATE CRO 9/27/16

SIGNED X

CASE NUMBER: Pipe Coatings International, LLC CASE NUMBER: 16-33437

COMPARATIVE BALANCE SHEETS

DUNKUU T							
ASSEIS	FILING DATE*	MONTH	MONTH	MONIH	MONIH	MUNIH	MONIH
	7/6/2016 0:00	July	August				-
CURRENT ASSETS							
Cash	858.00	7,828.00	-11,255.63				
Accounts Receivable, Net	98,624.00	98,624.00	98,624.15				
Inventory: Lower of Cost or Market	20,466.00	20,466.00	20,466.46				
Prepaid Expenses	7,427.00	4,880.00	2,332.29				
Investments	0.00	0.00	0.00				
Other AR Accrued Other	350.00	350.00	349.91				
TOTAL CURRENT ASSETS	127,725.00	132,148.00	110,517.18	0.00	0.00	0.00	0.00
PROPERTY, PLANT & EQUIP. @ COST	3,026,307.00	3,026,307.00	3,026,307.39				
Less Accumulated Depreciation	2,502,950.00	2,552,598.00	2,602,246.36				
NET BOOK VALUE OF PP & E	523,357.00	473,709.00	424,061.03	0.00	0.00	0.00	0.00
OTHER ASSETS			And the second second section is the second section of the second section in the second section is the second section of the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the second section in the second section in the second section is the section in the section is the second section in the section is the se	and the second s			make an electric transfer of the second seco
1. Tax Deposits	0.00	0.00	0.00				
2. Investments in Subsidiaries	0.00	0.00	0.00				
3. Electric Deposit	0.00	0.00	0.00				
4. related party receivables	1,883,440.00	1,883,440.00	1,883,440.30				
TOTAL ASSETS	\$2,534,522.00	\$2,489,297.00	\$2,418,018.51	\$0.00	\$0.00	\$0.00	\$0.00
	* Per Schedules and Statement of Affairs	tatement of Affairs					

MOR-2

CASE NAME: Pipe Coatings International, LLC CASE NUMBER: 16-33437

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S	FILING DATE*	MONTH	MONTH	MONTH	MONTH	HTNOM	MONTH
EQUITY	7/6/2016 0:00	July	August				
LIABILITIES							
POST-PETITION LIABILITIES(MOR-4)	0.00	157,365.32	299,194.47				
PRE-PETITION LIABILITIES						para de la la manda de la compansión de construcción de construcción de la construcción d	to the special state of the sale of the sa
Notes Payable - Secured	91,951.00	0.00	0.00				
Priority Debt	0.00	0.00	0.00				
Sales and USE	34,005.00	0.00	0.00				
FICA/Withholding	0.00	0.00	0.00				
Unsecured Debt	382,648.00	0.00	0.00				
Other	2,650,830.00	0.00	0.00				
TOTAL PRE-PETITION LIABILITIES	3,159,434.00	3,159,434.00	3,159,434.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	3,159,434.00	3,316,799.32	3,458,628.47	0.00	0.00	0.00	0.00
OWNER'S EQUITY (DEFICIT)						The second secon	country managery a consideration of country contracts and proof on the November contracts.
PREFERRED STOCK	0.00	0.00	0.00				
COMMON STOCK members equity	3,257,719.00	3,257,719.00	3,257,719.00				
ADDITIONAL PAID-IN CAPITAL	-5,931,267.00	-5,931,267.00	-5,931,267.00				
RETAINED EARNINGS: Filing Date	2,048,636.00	2,048,636.00	2,048,636.00				
RETAINED EARNINGS: Post Filing Date	0.00	-202,590.32	415,697.96	0.00			
TOTAL OWNER'S EQUITY (NET WORTH)	-624,912.00	-827,502.32	-1,040,609.96	0.00	0.00	0.00	0.00
TOTAL							
LIABILITIES &))
OWNERS EQUITY	\$2,534,522.00	\$2,489,297.00	\$2,418,018.51	\$0.00	\$0.00	\$0.00	\$0.00
	* Per Schedules and Statement of Affairs	Statement of Affairs					

Revised 07/01/98

Other comprised of: intercompany payble accrued bonus accrued PTO
Total

\$2,287,685 \$354,549 \$8,596

\$2,650,830

CASE NUMBER:

Pipe Coatings International, LLC 16-33437

SCHEDULE OF POST-PETITION LIABILITIES

		A A C A L A L A L A L A L A L A L A L A	FFE			
	HTNOM	MONTH	HTNOM	HTNOM	HTNOM	HTNOM
	July	August				
TRADE ACCOUNTS PAYABLE						
TAX PAYABLE						
Federal Payroll Taxes	0.00	893.11				
State Payroll Taxes	0.00	0.00				
Ad Valorem Taxes	0.00	0.00				
Property Taxes	0.00	3,000.00				
Other Taxes	0.00	1,294.26				
TOTAL TAXES PAYABLE	0.00	5,187.37	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION *	0.00	0.00				
ACCRUED INTEREST PAYABLE	0.00	0.00				
ACCRUED PROFESSIONAL FEES**	83,695.32	164,473.07				
OTHER ACCRUED LIABILITIES						
intercompany payables	60,805.00	121,805.00				
2. unsecured	12,865.00	7,729.03				
3.	0.00	0.00				
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$157,365.32	\$299,194.47	\$0.00	\$0.00	\$0.00	\$0.00
*Payment requires Court Approval						

** Adjusted for professional fees not accrued

MOR-4

* Debtor and its 3 affiliate debtors are co-borrowers under post petition financing, balances and cash activity associated with the DIP loan are presented exclusively on RDT USA, LLC MOR

91+ TOTAL 61-90 31-60 TOTAL 91+ DAYS 31-60 DAYS 0-30 61-90 DAYS 0-30 DAYS MONTH DAYS TOTAL July \$134,163.62 \$1,412.13 134,163.62 1,412.13 0.00 0.00 0.00 TRADE ACCOUNTS August \$134,163.62 134,163.62 \$1,412.13 1,412.13 AGING OF POST-PETITION LIABILITIES

August AGING OF ACCOUNTS RECEIVABLE FEDERAL TAXES \$0.00 \$0.00 STATE TAXES \$0.00 \$0.00 AD VALOREM, OTHER TAXES \$0.00 \$0.00 \$0.00 \$0.00 HTNOM

CASE NAME: Pipe Coatings International, LLC CASE NUMBER: 16-33437

CASE NUMBER: 16-33437

STATEMENT OF INCOME (LOSS)

	MONTH	HTNOM	HTNOM	HTNOM	HTNOM	HTNOM	FILING TO
	July	August					DATE
REVENUES (MOR-1)	0.00	0.00					0.00
TOTAL COST OF REVENUES	126,474.00	138,041.88					264,515.88
GROSS PROFIT	-126,474.00	-138,041.88	0.00	0.00	0.00	0.00	-264,515.88
OPERATING EXPENSES:							
Selling & Marketing	0.00	0.00					0.00
General & Administrative	3,998.00	4,250.88					8,248.88
Insiders Compensation	0.00	0.00					0.00
Professional Fees	2,155.00	1,153.66					3,308.66
Other	20,256.00	19,953.52					40,209.52
Other Depreciation	0.00	0.00					0.00
TOTAL OPERATING EXPENSES	26,409.00	25,358.06	0.00	0.00	0.00	0.00	51,767.06
INCOME BEFORE INT. DEPR/TAX (MOR-I)	-152,883.00	-163,399.94	0.00	0.00	0.00	0.00	-316,282.94
INTEREST EXPENSE	0.00	0.00					0.00
DEPRECIATION	49,648.00	49,648.38					99,296.38
OTHER (INCOME) EXPENSE*	59.32	59.32					118.64
OTHER ITEMS**	0.00	0.00					0.00
TOTAL INT, DEPR & OTHER ITEMS	49,707.32	49,707.70	0.00	0.00	0.00	0.00	99,415.02
NET INCOME BEFORE TAXES	-202,590.32	-213,107.64	0.00	0.00	0.00	0.00	-217,105.20
FEDERAL INCOME TAXES							0.00
NET INCOME (LOSS) (MOR-1)	(\$202,590.32)	(\$213,107.64)	\$0.00	\$0.00	\$0.00	\$0.00	(\$217,105.20)
Account Accounting Pagnited Otherwise Gootnote with Explanation	(re/anation						

Accrual Accounting Required, Otherwise Footnote with Explanation.

* * (Inusual and or infrequent item(s) outside the ordinary course of husiness requires footnote.

^{*} Footnote Mandatory.

CASE NAME: Pipe Coatings International, LLC CASE NUMBER: 16-33437

(\$11,255.63)	(\$11,255.63)	(\$11,255.63)	(\$11,255.63)	(\$11,255.63)	(\$11,255.63)	\$7,827.95	23. CASH - END OF MONTH (MOR-2)
-12,113.17	0.00	0.00	0.00	0.00	-19,083.58	0.00	22. NET CASH FLOW
84,15	0.00	0.00	0.00	0.00	57,082.32	27,077.20	TOTAL DISBURSEMENTS**
0.00					0.00	0.00	21. OTHER REORGANIZATION EXPENSES (attach list)
0.00					0.00	0.00	20. U.S. TRUSTEE FEES
0.00					0.00	0.00	19. PROFESSIONAL FEES
84,159.52	0.00	0.00	0.00	0.00	57,082.32	27,077.20	TOTAL DISBURSEMENTS FROM OPERATIONS
9,686.31					9,686.31	0.00	18. OTHER (attach list) PNC Loan LEDGER
662.67					662.67	0.00	17. ADMINSTRATI BANK FEES
0.00					0.00	0.00	16. REPAIRS, MAINTENANCE & SUPPLIES
0.00					0.00	0.00	15. TRAVEL & ENTERTAINMENT
0.00					0.00	0.00	14. VEHICLE EXPENSES
0.00					0.00	0.00	13. INVENTORY PURCHASES
8,939.92					7,031.22	1,908.70	12. INSURANCE Benefits
7,951.70					7,951.70	0.00	11. UTILITIES & TELEPHONE
13,430.25					13,430.25	0.00	10. SECURED/RENTAL/LEASES
0.00					0.00	0.00	9. SALES, USE & OTHER TAXES PAID
2,188.27					1,070.56	1,117.71	8. PAYROLL TAXES PAID
41,300.40					17,249.61	24,050.79	7. NET PAYROLL
							DISBURSEMENTS:
0.00					0.00	0.00	(Withdrawal) Contribution by Individual Debtor MFR-2*
72,046.35	0.00	0.00	0.00	0.00	37,998.74	34,047.61	TOTAL RECEIPTS**
0.00					0.00	0.00	6. OTHER (attach list)
0.00					0.00	0.00	5. SALE OF ASSETS
72,046.35					37,998.74	34,047.61	4. LOANS & ADVANCES (attach list)
0.00					0.00	0.00	3. COLLECTION OF ACCOUNTS RECEIVABLE
0.00					0.00	0.00	2. CASH SALES
							RECEIPTS:
\$857.54	(\$11.255.63)	(\$11,255.63)	(\$11,255.63)	(\$11,255.63)	\$7,827.95	\$857.54	1. CASH-BEGINNING OF MONTH
FILING TO	HTNOM	MONTH	MONTH	MONTH	MONTH August		DISBURSEMENTS

Note: Debtor AR collections sent to lockbox and applied direction bank bank to loan ledger.

**Numbers for the current month should balance (match)
RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

* Applies to Individual debtors only

MOR-7

Revised 07/01/98

Amount to the revolver for closure of the Amegy account

9,686.31

CASE NUMBER: Pipe Coatings International, LLC

CASH ACCOUNT RECONCILIATION MONTH OF August

BANK NAME					
ACCOUNT NUMBER 8026323496 #	#		#		
ACCOUNT TYPE	OPERATING	PAYROLL	TAX	OTHER FUNDS	TOTAL
BANK BALANCE	0.00	, particular and the second se			30 OS
DEPOSITS IN TO ANISIT	0 00				0.00
DEPOSITS IN TRANSIT	0.00	- Transmission			\$0.00
OUTSTANDING CHECKS	0.00				\$0.00
ADJUSTED BANK BALANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BEGINNING CASH - PER BOOKS	7,827.95				\$7,827.95
RECEIPTS*	0.00				\$0.00
TRANSFERS BETWEEN ACCOUNTS	37,998.74				\$37.998.74
(WITHDRAWAL) OR CONTRIBUTION BY					7- 7
INDIVIDUAL DEBTOR MFR-2	0.00				\$0.00
CHECKS/OTHER DISBURSEMENTS*	57,082.32				\$57,082.32
ENDING CASH - PER BOOKS	(\$11,255.63)	\$0.00	\$0.00	\$0.00	(\$11.255.63

*Numbers should balance (match) TOTAL RECEIPTS and TOTAL DISBURSEMENTS lines on MOR-7

CASE NUMBER:

Pipe Coatings International, LLC 16-33437

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

	NON I	SCNII	MONTH	MONTH	MONTH	MONTH
INSIDERS: NAME/COMP TYPE	July	ugust				
		0				
1						
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
PROFESSIONALS						
1.		0.00				
2.						
٠						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Revised 07/01/98